

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF AIRVIEW ESTATES, INC. TO)
MODIFY CONSTRUCTION SCHEDULE FOR) CASE NO. 2005-00050
PLANT IMPROVEMENTS FINANCED THROUGH)
A CUSTOMER SURCHARGE)

ORDER

On January 14, 2005, Airview Estates, Inc. ("Airview"), through its agent Elizabethtown Utilities, Inc. ("Elizabethtown"), a Kentucky corporation that manages Airview's sewage treatment and collection facilities, applied for modifications to the terms of the construction schedule established in Case No. 2003-00494.¹ In support of its application, Airview states that the priority of the required improvements has changed and that the construction schedule should be modified to reflect these changes.

Having considered the application and evidence of record, the Commission finds that:

1. In Case No. 2003-00494, the Commission authorized Airview's assessment of a monthly surcharge to finance several critical improvements to its sewage treatment plant and collection facilities. The Commission specified the improvements for which the surcharge proceeds could be used and the schedule on which the improvements should be made.

¹ Case No. 2003-00494, Application of Airview Estates, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities (Ky. PSC June 14, 2004).

2. The Commission directed that Airview's failure to comply with the established time schedule would constitute sufficient grounds for terminating collection of the surcharge and refunding all amounts collected.

3. The surcharge will fund the following projects:

| Repair Description | Itemized Cost | Month Construction to Begin |
|---|---------------|-----------------------------|
| 1) Remote Lift Station (Guide Rail, Pumps, & Control Panel) | \$ 22,552 | 7 |
| 2) 2 Blower Motors & Control Panel | \$ 11,893 | 11 |
| 3) 13 1/4" Diffuser Drops with 3/8" Diffusers | \$ 4,145 | 12 |
| 4) Pump-Out & Dispose of Lagoon Sludge | \$ 75,000 | 35 |
| 5) Video Inspection of Mains | \$ 5,400 | 36 |

4. Airview has selected Elizabethtown as the contractor to perform the required repairs at the treatment plant and the lift station, and has authorized Elizabethtown to apply to the Commission for revisions to the surcharge construction schedule.

5. In its Order of June 14, 2004 in Case No. 2003-00494, the Commission directed Airview to begin construction of the Remote Lift Station (Guide Rail, Pumps, & Control Panel); the 2 Blower Motors & Control Panel; and the 13 1/4" Diffuser Drops with 3/8" Diffusers by the 12th month of the surcharge or by June 2005.

6. Given that all the repairs at issue in Airview's current application were required to be started within 12 months of the commencement of the surcharge, and this 12-month period has run, Airview's application to modify the terms of the construction schedule is moot and should be denied.

IT IS THEREFORE ORDERED that:

1. Airview's application to modify the construction schedule set forth in the Commission's Order of June 14, 2004 in Case No. 2003-00494 is denied.

2. Within 15 days of the date of this Order, Elizabethtown shall file evidence of the date construction began on the following projects:

a. Project 1, the Remote Lift Station (Guide Rail, Pumps, & Control Panel).

b. Project 2, the 2 Blower Motors & Control Panel.

c. Project 3, the 13 ¼" Diffuser Drops with 3/8" Diffusers began.

Done at Frankfort, Kentucky, this 8th day of July, 2005.

By the Commission

ATTEST:


Executive Director